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STATE FOR WHA/CAN: TBREESE, AHOLST; WHA/MEX: EMRICH; EB/PDAS Donnelly

WHITE HOUSE/NSC FOR FARYAR SHIRZAD, DEL RENIGAR

STATE PASS USTR FOR SAGE CHANDLER

EPA FOR PETE CHRISTICH

HOMELAND SECURITY OFFICE OF THE SECRETARY (MARMAUD, MARTINEZ-FONTS)

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SUBJECT: SPP: Canadian Chemical producers like SPP, see it building on the Four Corners Arrangement

Ref: Ottawa 1199 (SPP PMO-OMB Institution)

- 11. Summary: Representatives of the Canadian Chemical Producers Association (CCPA) are supportive of the SPP and suggested that enduring institutional links between government agencies will be a major factor in increasing continental commerce in the chemical sector. They identified the Four Corners Arrangement, an existing forum comprising U.S. EPA, Environment Canada, Health Canada, the American Chemistry Council and the CCPA, as a mechanism that can be leveraged to advance SPP efforts to enhance regulatory harmonization. End Summary.
- 12. The Canadian Chemical Producers Association (CCPA) officials (Gordon Lloyd, V.P of Technical Affairs and David Shearing, Senior Manager, Business and Economics) told Emboff that they fully support the objectives of the SPP. Lloyd and Shearing are very familiar with the "Smart Borders" process which has transformed the bilateral relationship with respect to facilitating cross-border commerce while simultaneously enhancing security; they see the Smart Borders initiative, which exhibits enduring institutional links between agencies (e.g. CBSA and CBP) with periodic meetings of high-level principals (e.g. Secretary Chertoff and Deputy Prime Minister McLellan) as a

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useful model to advance cooperation on the regulatory front.

- 13. Comment: Embassy Ottawa has proposed establishing linkages between the two governments' organizations that are responsible for vetting regulation, the OMB/OIRA and the PCO/RAOIC as a starting point for what we are referring to as the "Smart Markets" regulatory harmonization effort (reftel); it is encouraging to see industry arriving at the same logical conclusion. End comment.
- 14. Lloyd noted that the SPP should leverage the efforts of an existing institution that links the Canadian and American chemical industry and regulators. The CCPA and its American counterpart, the American Chemistry Council, already work alongside USG (EPA) and GoC (Environment Canada and Health Canada) regulators in a forum called the "Four Corners Arrangement" or "4CA" which is addressing, among other things barriers to sharing confidential business information, standardizing risk assessment information requirements, and exchanging personnel. More details on the "4CA" are at the Environment Canada website:

http://www.ec.gc.ca/substances/nsb/download/4 cafinal_e.pdf

- 15. The CCPA see the SPP effort as providing the necessary political impetus to move the Four Corners effort ahead forcefully and expand the 4CA agenda to help industry achieve mutual recognition of safety assessments, and also facilitate a joint Canada and United States effort on the "Globally Harmonized System of Classification and Labeling of Chemicals".
- 16. We at the embassy envisage that the technical work in the Four Corners effort would underpin the higher level coordination taking place between OMB and PCO and yield real strides in regulatory synchronization especially if that progress is firmly tied to a deliverable for annual ministerial-level meetings.